



BERMUDA MONETARY AUTHORITY

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EXPLANATORY MEMORANDUM

Insurance (Prudential Standards)(Group Solvency Requirement) Rules 2011 (“the Rules”)

1. The proposed Rules correspond with the proposals set out in the Bermuda Monetary Authority’s (“the Authority”) Consultation Paper on Insurance Groups Regulatory Framework February 2010, Consultation Paper on Disclosure and Transparency June 2010 Update, and pursuant sections 6A and 27F and of the Insurance Act 1978.
2. The proposals set out rules in respect of the capital and solvency return and enhanced capital requirement.
3. The views of the insurance industry and other interested persons on the proposals set out in this paper are invited. Comments should be sent to the Authority addressed to policy@bma.bm no later than February 28th, 2011.